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No.

WILLIAM E. SPANGLER, JR.
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IN THE
Supreme Court of the United States

October Term, 1990

HINSHAW MUSIC, INC. and GILBERT M. MARTIN,

Petitioners,

v.

WILLIAM L. DAWSON,

Respondent.

**PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE
FOURTH CIRCUIT**

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September 21, 1990

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QUESTION PRESENTED

What is the appropriate test for determining infringement of copyright, specifically the issue of substantial similarity, in the federal courts of the United States?

LIST OF PARTIES

The parties to the proceedings below were Petitioners Hinshaw Music, Inc. and Gilbert M. Martin and Respondent William L. Dawson. Petitioner Hinshaw Music, Inc. has no parent companies, subsidiaries, or affiliates to list pursuant to Rule 29.1.

TABLE OF CONTENTS

	<i>Page</i>
QUESTION PRESENTED.....	i
LIST OF PARTIES.....	ii
TABLE OF AUTHORITIES.....	iv
OPINIONS BELOW.....	1
JURISDICTION.....	2
STATUTE INVOLVED.....	2
STATEMENT OF THE CASE.....	2
REASONS FOR GRANTING THE WRIT.....	9
I. The circuit courts have reached divergent and conflicting approaches on an important and recurring question of federal copyright law that requires nationwide uniformity; only this Court can settle the question definitively.....	9
II. The Fourth Circuit has decided an important question of federal copyright law in a manner that places insurmountable burdens on copyright litigants, as well as federal district and appellate courts.....	13
CONCLUSION.....	16
APPENDIX	
Opinion of the court of appeals.....	App. 1
Judgment with accompanying Findings of Fact and Conclusions of Law of the district court.....	App. 16

	<i>Page</i>
Order denying Plaintiff's Motion to Alter or Amend Judgment of the district court.....	App. 39
Order denying Petition for Rehearing and Suggestion for Rehearing In Banc	App. 44

TABLE OF AUTHORITIES

Cases:	<i>Page</i>
<i>Arnstein v. Porter</i> , 154 F.2d 464 (2d Cir. 1946)	4, 10
<i>Atari, Inc. v. North American</i> , 672 F.2d 607 (7th Cir.), <i>cert. denied</i> , 459 U.S. 880 (1982)	11
<i>Baxter v. MCA, Inc.</i> , 812 F.2d 421 (9th Cir.), <i>cert. denied</i> , 484 U.S. 954 (1987)	8
<i>Community for Creative Non-Violence v. Reid</i> , ___ U.S. ___, 109 S.Ct. 2166 (1989).....	12
<i>Concrete Machinery Co. v. Classic Lawn Ornaments</i> , 843 F.2d 600 (1st Cir. 1988)	10
<i>Johnson Controls v. Phoenix Control Systems</i> , 886 F.2d 1173 (9th Cir. 1989)	8, 11
<i>Nelson v. PRN Productions, Inc.</i> , 873 F.2d 1141 (8th Cir.) <i>cert. denied</i> ___ U.S. ___, 110 S.Ct. 544 (1989)...	8, 11
<i>Shaw v. Lindheim</i> , ___ F.2d ___, 15 USPQ2d 1516 (9th Cir. 1990).....	6, 11
<i>Sid & Marty Krofft Television v. McDonald's Corp.</i> , 562 F.2d 1157 (9th Cir. 1977)	5, 11

	<i>Page</i>
<i>Stewart v. Abend</i> , ___ U.S. ___, 110 S.Ct. 1750 (1990)	12
<i>Universal Athletic Sales Co. v. Salkeld</i> , 511 F.2d 904 (3d Cir.), <i>cert. denied</i> , 423 U.S. 863 (1975)	11
<i>Whelan Associates v. Jaslow Dental Laboratory</i> , 797 F.2d 1222 (3d Cir. 1986), <i>cert. denied</i> 479 U.S. 1031 (1987)	6, 11

Statutes and Rules

17 U.S.C. § 101 (1976 ed.)	3
17 U.S.C. § 501(a)	3
Federal Rules of Evidence, Rule 702	5

Other Authorities and Publications

3 <i>Nimmer on Copyright</i> §§ 13.03[A] and 13.03[E]	4
Stein, <i>et al.</i> , <i>Supreme Court Practice</i> (6th ed.) § 4.21	10



No. _____

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FOURTH CIRCUIT

Petitioners Hinshaw Music, Inc. and Gilbert M. Martin respectfully pray that a writ of certiorari issue to review the opinion of the United States Court of Appeals for the Fourth Circuit, entered in the above-entitled proceeding on June 7, 1990.

OPINIONS BELOW

The opinion of the Court of Appeals for the Fourth Circuit is reported at 905 F.2d 731 and is reprinted in the appendix hereto, *APP at 1, infra*.

The Judgment with accompanying Findings of Fact and Conclusions of Law of the United States District Court for the Middle District of North Carolina has not been reported. It is reprinted, along with the district court's Order denying Plaintiff's Motion to Alter or Amend Judgment, in the appendix hereto, *APP at 16, infra*.

JURISDICTION

The opinion of the Court of Appeals for the Fourth Circuit was entered on June 7, 1990. A timely petition for rehearing and a suggestion for rehearing in banc were denied and rejected on June 27, 1990, and this petition for certiorari was filed within ninety (90) days of that date. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTE INVOLVED

17 U.S.C. § 501. Infringement of copyright

(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118, or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright.

STATEMENT OF THE CASE

1. The Relevant Facts.

This action involves an alleged infringement of copyright. Respondent created an arrangement of the well-known *public domain* spiritual, "Ezekiel Saw de Wheel" prior to August 28, 1942. Respondent's arrangement was published and copyrighted in Respondent's name through the United States Copyright Office on August 28, 1942. Respondent renewed his copyright in 1969. Respondent has sold many copies of his arrangement, and, according to Respondent, his arrangement has been performed, "many, many, many times" in the United States, including performances at the Metropolitan Opera and Carnegie Hall.

There are many other published choral arrangements of "Ezekiel Saw the Wheel." In 1980, Petitioner Gilbert M. Martin ("Martin") composed an arrangement of "Ezekiel Saw the Wheel." That same year, Martin granted, Petitioner Hinshaw Music, Inc. ("Hinshaw"), the exclusive rights to publish, distribute, and sell Martin's arrangement. Martin agreed to indemnify Hinshaw for any loss resulting from infringement of copyright. Hinshaw copyrighted Martin's arrangement in 1981 and began publishing it at that time.

Respondent brought this action for copyright infringement in the United States District Court for the Middle District of Louisiana on June 10, 1986, alleging copyright infringement under 17 U.S.C. § 501 *et seq.* Jurisdiction of the district court was invoked under 17 U.S.C. § 101, *et seq.*, as well as under 28 U.S.C. § 1338(a). Thereafter the action was transferred to the Middle District of North Carolina pursuant to 28 U.S.C. § 1404(a).

2. The Decision of the District Court.

a. Background.

The decision of the district court, as well as the decision of the court of appeals, need to be considered in the context of existing precedent for establishing a *prima facie* case of copyright infringement.

There is no statutory test for determining infringement of copyright. Section 501(a) simply defines an infringer of the copyright as "anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118, or who imports copies or phonorecords into the United States in violation of section 602..." The same was true under the Copyright Act of 1909. See 17 U.S.C. § 101 (1976 ed.)

In lieu of a statutory directive, courts have relied on established judicial precedent for determining a claim of copyright infringement. Because of the difficulties in proving copyright infringement by direct evidence, the law has established a burden

shifting mechanism whereby plaintiffs can establish a *prima facie* case of infringement by showing 1) possession of a valid copyright, 2) the defendant's access to the plaintiff's work, and 3) substantial similarity between the plaintiff's and defendant's works. *APP* at 3. Elements (1) and (2) are often not in issue in copyright cases. The pivotal question in many copyright cases, therefore, is whether the competing works are "substantially similar."

Determination of the issue of substantial similarity "presents one of the most difficult questions in copyright law..." 3 *Nimmer on Copyright* § 13.03(a) at 13-23. The term is necessarily vague and difficult to apply. *APP* at 29.

For well over one hundred years, courts generally have applied what is known as the audience test (or ordinary observer test) to determine the issue of substantial similarity. See 3 *Nimmer on Copyright*, § 13.03[E]. Under the audience test, infringement of expression is determined by "whether the accused work is so similar to the plaintiff's work that an ordinary reasonable person could conclude that the defendant unlawfully appropriated the plaintiff's protectable expression by taking material of substance and value". *APP* at 31. The test is *subjective*: the trier of fact inquires into the "total concept and feel" of the competing works, *without the aid of analytic dissection or expert testimony*.

However, since the landmark case of *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946), limited expert testimony has been permitted on the issue of substantial similarity. *Arnstein* involved the alleged infringement of a popular musical composition. In *Arnstein*, the Second Circuit divided the issue of substantial similarity into two separate elements: the first element is whether the defendant "copied" from the plaintiff's work and the second element, assuming the first was proven, is whether the "copying" went so far as to constitute an improper appropriation, or "unlawful copying." Analytic dissection and expert testimony are admissible under the first element to show copying. However, the audience test is still applied to establish "unlawful copying" under the second element.

In sum, under the *Arnstein* test, analytic dissection and expert testimony are admissible to show the first element of the substantial similarity issue, namely "copying"; however, the second element, "unlawful copying" is not satisfied unless the similarities between competing works can be readily detected by the lay ear (or ordinary observer), or by the effect of the compositions *as a whole*, without reference to analytic dissection and expert testimony. The *Arnstein* test is a substantive rule of copyright law which effectively supercedes Rule 702 of the Federal Rules of Evidence, which generally governs the admissibility of expert testimony.

Subsequent to *Arnstein*, the Ninth Circuit articulated a bifurcated test, similar to the *Arnstein* test, in *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977). In *Krofft*, the Ninth Circuit premised its two-pronged test on the axiom of copyright law that protection granted to a copyrighted work extends only to the particular expression of the idea and never to the idea itself. The Ninth Circuit maintained that infringement exists where there is both substantial similarity as to general ideas contained in two works and also substantial similarity in the expression of the ideas so as to constitute infringement. Once again, the standard under which substantial similarity is shown under each prong is different. The determination of whether there is substantial similarity in ideas is called the "extrinsic test," and is objective because "it depends not on the response of the trier of fact, but on specific criteria which can be listed and analyzed." 562 F.2d at 1164. Analysis, dissection, and expert testimony are relevant and admissible to satisfy the extrinsic prong. *Id.* The second prong is called the "intrinsic test" and, in essence, constitutes the audience test: the test is established by the *subjective* response of the ordinary, reasonable observer or listener unaided by analytic dissection or expert testimony.

The Ninth Circuit attempted to harmonize its test with the *Arnstein* test by explaining:

We believe that the Court in *Arnstein* was alluding to the idea-expression dichotomy which we make explicit today. When the Court in *Arnstein* refers to

“copying” which is not itself an infringement, it must be suggesting copying merely of the work’s idea, which is not protected by the copyright. To constitute an infringement, the copying must reach the point of “unlawful appropriation,” or the copying of the protected expression itself.

Id. at 1165.¹

In *Whelan Associates v. Jaslow Dental Laboratory*, 797 F.2d 1222 (3d Cir. 1986) *cert. denied*, 797 U.S. 103 (1987), the Third Circuit departed from the *Krofft* and *Arnstein* tests. The Third Circuit held that the ordinary observer prong of the substantial similarity test was not appropriate for the complex computer program copyright case before it. 797 F.2d at 1232. Instead, the Court substituted “a single substantial similarity inquiry according to which both lay and expert testimony would be admissible,” in lieu of the bifurcated approaches outlined in *Krofft* and *Arnstein*. *Id.* at 1233.

The foregoing reflects the general status of copyright infringement law at the time this case was tried before the district court.

b. The District Court’s Holding in the Instant Case.

On the issue of ownership, Petitioners stipulated, and the district court found, that Respondent owned a valid and enforceable copyright in his arrangement. The district court found in Respondent’s favor on the issue of access by accepting circumstantial evidence. The district court then applied the *Krofft* test to determine whether Respondent had carried his burden of proof on the issue of substantial similarity.

Turning first to Respondent’s evidence of analysis, dissection and expert testimony, the district court concluded that Respondent had made a *prima facie* showing of *idea*-similarity under the *Krofft* extrinsic test. *APP* at 33. The only evidence presented by

¹*Cf. Shaw v. Lindheim*, ___ F.2d ___, 15 USPQ2d 1516, 1518 (9th Cir. 1990).

Respondent on the issue of substantial similarity was the sheet music of the two arrangements. Respondent did not present recordings of the two arrangements or perform the pieces for the Court.

The district court, sitting as the ordinary observer, specifically analyzed the sheet music, unaided by analytic dissection and expert testimony, and concluded that Respondent had not made a *prima facie* showing of "intrinsic" substantive similarity under the second prong of the *Krofft* test. *APP at 36 and 41*. The District Court thus held that, since Respondent had failed to establish an essential element of his infringement claim, the claim must be dismissed. Accordingly, the district court entered judgment for the Petitioners by Judgment entered December 21, 1988. *APP at 16*. The District Court subsequently denied Respondent's Rule 59 Motion to Alter or Amend Judgement by Order entered February 9, 1989. *APP at 39*. From these rulings, Respondent appealed as permitted under 28 U.S.C. §§ 1291 and 1294(1).

3. The Decision of the Court of Appeals.

The issue on appeal was whether the district court erred in dismissing Respondent's claim for failure to establish substantial similarity between the two works. In the opinion, the court of appeals began its analysis by confirming that "there are two prongs to the substantial similarity inquiry." *APP at 3*. Regarding the second, "intrinsic" prong of the test, the court noted the "characterization of the ordinary observer test as an ordinary *lay* observer test." *APP at 5*. However, the Court then concluded, invoking the *rationale* of *Arnstein* and the Third Circuit's departure from the audience test in *Whelan*, that whether the audience test applies in a given case depends on the "intended audience" of a plaintiff's work. *APP at 5-11*.

The court of appeals explained: If the lay public fairly represents the "intended audience," the trier of fact should apply the audience test. *APP. at 11*. If the "intended audience" is more narrow, in that it possesses specialized expertise, relevant to its purchasing decision, that lay people would lack, the trier of fact's

inquiry should focus on whether a member of the "intended audience" would find the two works to be substantially similar. *APP at 11*. In the latter instance, such an inquiry would include testimony from expert witnesses, comprising the "intended audience," who possess specialized knowledge relevant to their purchasing decision, namely, selection of one work over the other. *APP at 11-15*.

The court of appeals stated that "the facts of this case present a particularly inviting context in which to refine the ordinary observer test...." *APP at 14*. "It may be that a popular recording of a love ditty pitched at the broadest of audiences is marketed to the general public far more so than is a spiritual arrangement." *APP at 13*. By contrast, "it is quite possible that spiritual arrangements are purchased primarily by choral directors who possess specialized expertise relevant to their selection of one arrangement instead of another." *Id.* Accordingly, "a lay person's reaction might not be an accurate indicator of how expert choral directors would compare two spiritual arrangements." *Id.*

The court did not find recent music copyright decisions applying the audience test controlling.² The court also did not mention the Ninth Circuit's recent decision in *Johnson Controls v. Phoenix Control Systems*, 886 F.2d 1173 (9th Cir 1989) which involved alleged copyright infringement of a "very sophisticated [computer] program..." 886 F 2d at 1176. In *Johnson*, the Ninth Circuit noted that infringement would arise if "a reasonable person in the intended audience" ...found an "unlawful appropriation, a capture by the infringing work of the total concept and feel" of [plaintiff's] work." *Id.* (Emphasis supplied).

Notwithstanding the Fourth Circuit's departure from the audience test in the instant case, the court recognized the appeal of the audience test. The court noted that the audience test "spares a court the burden of determining the nature of the work's

²*Nelson v. PRN Productions, Inc.*, 873 F.2d 1141 (9th Cir.) cert. den. ___ U.S. ___, 110 S.Ct. 544 (1989) and *Baxter v. MCA Inc*, 812 F 2d 421 (9th Cir.), cert. denied 484 U.S. 954 (1987) (in dicta rejecting the argument that music is such a technical field as to require additional protection beyond the lay audience test).

intended audience." *APP at 11*. The burden of establishing the "intended audience" would be "a substantial one if our holding were read as an invitation to every litigant in every copyright case to put before the court the seemingly unanswerable question of whether a product's audience is sufficiently specialized to justify departure from the [audience test]." *Id.* Acknowledging that "concerns about copyright actions becoming unwieldy are legitimate [,]" the court of appeals cautioned: "We thereby pay heed to the need for hesitancy when departing from the 'audience test'." *APP at 12*. Departure is only warranted where the "intended audience" possesses specialized expertise which the lay public lacks. *APP at 12*.

In light of the foregoing, the court of appeals remanded the cause for determination by the district court as to whether definition of a distinct audience is appropriate in this case. *APP at 14*. Assuming definition of a distinct audience is appropriate, the district court was ordered to take additional evidence to determine whether members of the "intended audience" would find the arrangements to be substantially similar.

REASONS FOR GRANTING THE WRIT

- I. The circuit courts have reached divergent and conflicting approaches on an important and recurring question of federal copyright law that requires nationwide uniformity; only this Court can settle the question definitively.**

The gravamen of Petitioners' argument can be summarized as follows:

- 1) Unlike patent-related cases, there is no vested exclusive appellate jurisdiction for federal copyright cases.
- 2) Circuit courts have taken divergent and conflicting approaches to resolving the issue of substantial similarity in copyright infringement actions.

- 3) The issue of substantial similarity is an extremely important one, as its resolution defines the scope of copyright protection.
- 4) Copyright protection is a federal right which is enjoyed nationally and, as such, its scope should not vary from jurisdiction to jurisdiction.
- 5) The problems arising from such variance will only be exacerbated by our burgeoning technology and information society and the attendant rise in infringement litigation.

In contrast to patents, copyrights do not enjoy exclusive appellate jurisdiction in the United States Court of Appeals for the Federal Circuit. Since copyrights lack a single forum with nationwide jurisdiction, copyright cases are susceptible to the very forum-shopping and inconsistencies in appellate adjudication that Congress sought to eliminate in patent matters. *See Stern, et al., Supreme Court Practice* (6th edition) § 4.21. Accordingly, given the absence of exclusive appellate jurisdiction, the instant case does not present the more limited certiorari concerns presented by a patent case. *See id.*

Circuit courts have taken divergent and conflicting approaches to resolving the issue of substantial similarity in copyright infringement actions. The various circuit courts' approaches are summarized as follows:

I. FIRST AND SECOND CIRCUITS

Approach: *Arnstein* test.

Authority: *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946); *Concrete Machinery Co. v. Classic Lawn Ornaments*, 843 F.2d 600 (1st Cir. 1988).

II. THIRD CIRCUIT

Approach: *Arnstein* test unless complex computer case.

Authority: *Universal Athletic Sales Co. v. Salkeld* 511 F.2d 904 (3d Cir.); *cert. denied* 423 U.S. 863 (1975); *Whelan Associates v. Jaslow Dental Laboratory*, 797 F.2d 1222 (3d Cir. 1986), *cert. denied* 479 U.S. 1031 (1987).

III. FOURTH CIRCUIT

Approach: *Krofft* test unless "intended audience" has specialized knowledge relevant to its purchasing decision.

Authority: *Dawson v. Hinshaw Music Inc.*, 905 F.2d 731 (4th Cir. 1990). *APP at 1.*

IV. SEVENTH CIRCUIT

Approach: *Arnstein* test even with computer subject matter.

Authority: *Atari Inc. v. North American*, 672 F.2d 607 (7th Cir.) *cert. denied* 459 U.S. 880 (1982).

V. EIGHTH CIRCUIT

Approach: *Krofft* test.

Authority: *Nelson v. PRN Productions, Inc.*, 873 F.2d 1141 (8th Cir.), *cert. denied* ___ U.S. ___, 110 S.Ct. 544 (1989).

VI. NINTH CIRCUIT

Approach: *Krofft* test even with sophisticated computer program but audience test to be applied by reasonable person in the intended audience.

Authority: *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977); *Johnson Controls v. Phoenix Controls Systems*, 886 F.2d 1173 (9th Cir. 1989); *Shaw v. Lindheim*, ___ F.2d ___, 15 USPQ2d 1516 (9th Cir. 1990).

Determination of the issue of substantial similarity functions "as a limiting principle delineating the scope of copyright protection." *APP at 29-30*. A copyright is only as valuable as its ability to confer a limited monopoly to its holder. The extent of this monopoly, or the scope of copyright protection, will often be determined, in large part, by infringement litigation involving a competing work. It is in this respect that the determination of the question of substantial similarity defines the extent of an author's monopoly *vis-a-vis* a competing work and thus determines the scope of copyright protection.

The scope of copyright protection should not vary from jurisdiction to jurisdiction. Until recently, adherence to the audience test afforded a relatively consistent and accepted barometer for determining the issue of infringement in the federal courts. Now, however, as summarized above, adherence to the audience test varies. This variance fosters uncertainty as to the scope of copyright protection in a given work, particularly regarding works involving computer technology or other technical subject matter. Further, forum-shopping seems inevitable. For example, a copyright litigant who fears the reactions of the lay public in a given case will undoubtedly seek to litigate the action in the Fourth Circuit and simultaneously attempt to establish the existence of a narrow, specialized "intended audience" from whence he can select "experts."

The increase in reported copyright decisions in recent years undoubtedly is a reflection of our burgeoning technology and information society. Given this rise in copyright litigation, the problems associated with disparate approaches to judicial resolution of infringement actions will only increase. This Court has recently resolved important questions of copyright in *Community for Creative Non-Violence v. Reid*, ___ U.S. ___, 109 S.Ct. 2166 (1989) and *Stewart v. Abend*, ___ U.S. ___, 110 S. Ct. 1750 (1990). The instant case, like *Reid* and *Stewart*, presents this Court with an opportunity to resolve an extremely important area of copyright law that is badly in need of this Court's authoritative voice.

II. The Fourth Circuit has decided an important question of federal copyright law in a manner that places insurmountable burdens on copyright litigants, as well as federal district and appellate courts.

Petitioner's argument herein is summarized as follows:

- 1) The Fourth Circuit recognized the danger of its decision in the instant case.
- 2) The decision imposes an insurmountable burden on copyright litigants and the courts to decide whether departure from the audience test is warranted in a given case.
- 3) The decision requires federal courts to resolve what, by the Fourth Circuit's own admission, is a seemingly unanswerable question.
- 4) The decision fails to specify what criteria members of an "intended audience" should use in determining the issue of substantial similarity.
- 5) The decision establishes new potential issues for contention at trial and on appeal in virtually every copyright case.

The Fourth Circuit acknowledged the danger of its holding. The court noted that *the burden* of determining the "intended audience" for copyrighted works "*would be a substantial one* if our holding were read as *an invitation to every litigant* in every copyright case to put before the court *the seemingly unanswerable question* of whether a product's audience is sufficiently specialized to justify departure from the [audience test]." *APP at 11.* (Emphasis supplied). The court admitted that "concerns about copyright actions becoming unwieldy are legitimate." *Id.* However, while the court stated that a court should be hesitant to depart from the audience test, the test for departure, in many instances, will be relatively easy to satisfy.

It is axiomatic that our society grows more complex every day. Given this trend, it is extremely likely that more and more

products will be marketed to particular segments of our society "possessing specialized knowledge relevant to its purchasing decision that lay people would lack." Do copyrighted products marketed, for example, to gun owners, child psychologists, attorneys, airplane pilots, scuba divers, or car mechanics now have "intended audiences" with specialized expertise? The list of possibilities is endless.

In spite of its call for "hesitancy", the Fourth Circuit *has* issued "an invitation to every litigant in every copyright case" to produce an expert from the targeted market with "specialized knowledge" about the particular product that influences that expert's purchasing decision. Accordingly, it seems likely that courts repeatedly will be faced with having to determine the "seemingly unanswerable question" of whether there is an "intended audience." The issue will certainly arise on appeals as well.

The "intended audience" determination poses a seemingly unanswerable question for several reasons. In the instant case, for example, departure might be warranted on account of the limited "popularity" of the arrangements at issue. *APP at 13*. However, the district court found that over 153,000 copies of Respondent's arrangement were sold just between 1977 and May of 1988, and that thousands of copies of the arrangement were sold from 1942 until 1967. *APP at 29*. Respondent himself testified that his arrangement was performed "many, many, many times" in the United States, including performances at the Metropolitan Opera and Carnegie Hall. Presumably, the audience for these performances was not comprised solely of choral directors, but also included paying members of the general public. How many sales and public performances are necessary before a copyrighted work is said to be "popular"? Do some works have both primary and secondary "intended audiences"? Should a court hear testimony from both "intended audiences"? Whose "intention" is to be ascertained in identifying the "intended audience"?

What if a plaintiff's copyrighted work is intended for a "specialized audience," such as a technical manual for car mechanics, but the alleged infringer's work represents a modified manual simple enough to be marketed to the general public? Who should

make the determination whether the alleged infringer's work is an impermissible derivative work in such instance?

Assuming a copyrighted work is intended for a narrow audience with specialized expertise relevant to its purchasing decision, what criteria should members of the "intended audience" use to determine whether the works at issue are substantially similar? The decision below does not clearly resolve this question. Are members of the "intended audience" who testify as experts allowed to address whatever they please in determining this question, or are they obligated to focus on the expressive elements of the works in question, since, ultimately, it is only the expressive elements which are protected by copyright. This is certainly the approach suggested by the Ninth Circuit in *Johnson, supra*. May experts in a music copyright case ignore how *two pieces of music* would *sound* if performed exactly as written? Or should experts compare the subjective effects of the works overall?

If Respondent had elected to introduce recordings or performances of the two arrangements at trial, the district court would have had the best and most relevant *subjective* evidence before it on the issue of intrinsic substantial similarity. Respondent's case was dismissed because the district court could not find substantial similarity without the benefit of hearing the music. The Fourth Circuit's departure from the audience test appears tailored to redress the harm to Respondent's case by this failure on Respondent's part to introduce recordings. The question now is whether the revisions to copyright law with national implications, which were undertaken by the court of appeals in the name of fairness to Respondent, are tenable. Only this Court effectively can determine that question.

CONCLUSION

For these various reasons, this Petition for Certiorari should be granted.

September 21, 1990

Respectfully submitted,

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UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

PUBLISHED

No. 89-2643

WILLIAM L. DAWSON,
Plaintiff — Appellant,

versus

HINSHAW MUSIC INC.; GILBERT M. MARTIN,
Defendants — Appellees.

Appeal from the United States District Court for the Middle District of North Carolina, at Durham. Hiram H. Ward, Senior District Judge. (CA-87-160-D-C)

Argued:
December 5, 1989

Decided:
June 7, 1990

Before ERVIN, Chief Judge, and MURNAGHAN and
WILKINS, Circuit Judges

Appendix 1

Remanded with instructions by published opinion. Judge Mur-naghan wrote the opinion, in which Chief Judge Ervin and Judge Wilkins joined.



ARGUED: Marvin William Krasilovsky, FEINMAN & KRASILOVSKY, P.C., New York, New York, for Appellant. Robert Allen Monath, LEWIS & ANDERSON, P.C., Chapel Hill, North Carolina, for appellees. ON BRIEF: Philip C. Baxa, MAYS AND VALENTINE, Richmond, Virginia, for Appellant. Susan H. Lewis, LEWIS & ANDERSON, P.C., Chapel Hill, North Carolina; Marion G. Follin, III, SMITH, PATTERSON, FOLLIN, CURTIS, JAMES & HARKAVY, Greensboro, North Carolina for Appellees.

I

William L. Dawson possesses a valid copyright of an arrangement of the spiritual "Ezekiel Saw De Wheel." Dawson, over the years, has sold many copies of his arrangement. In 1980, Gilbert M. Martin composed an arrangement of the spiritual. That same year, Martin granted Hinshaw Music, Inc. ("Hinshaw"), the exclusive rights to publish, distribute, and sell his arrangement. Martin agreed to indemnify Hinshaw for any loss resulting from infringement of copyright. Dawson brought suit against Hinshaw and Martin, alleging copyright infringement under 17 U.S.C. §§ 501 *et seq.* After a bench trial, the district court held for the defendants.

The district court began its analysis by correctly noting that, because of the difficulties in proving copyright infringement by direct evidence, the law has established a burden shifting mechanism whereby plaintiffs can establish a *prima facie* case of infringement by showing possession of a valid copyright, the defendant's access to the plaintiff's work, and substantial similarity between the plaintiff's and defendant's works. *See Concrete Machinery Co. v. Classic Lawn Ornaments, Inc.*, 843 F.2d 600, 606 (1st Cir. 1988); *Whelan Associates v. Jaslow Dental Laboratory*, 797 F.2d 1222, 1232 (3rd Cir. 1986); *Walker v. Time Life Films*, 784 F.2d 44, 48 (2d Cir. 1986); *Litchfield v. Spielberg*, 736 F.2d 1352, 1355 (9th Cir. 1984); *Original Appalachian Artworks v. Toy Loft*, 684 F.2d 821, 829 (11th Cir. 1982); *Atari, Inc. v. North American*, 672 F.2d 607, 614 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982). The district court found that Dawson successfully established (a) the validity of his copyright and (b) Martin's access to his arrangement. What remained for Dawson was the establishment of the substantial similarity between the two works.

As correctly noted by the district court, there are two prongs to the substantial similarity inquiry. The plaintiff must establish

substantial similarity of both the ideas of the two works and of the expression of those ideas.¹ See, e.g., *Litchfield*, 736 F.2d at 1356. It is well established that expert testimony is admissible for proof under the first prong which courts have referred to as an “extrinsic” or “objective” inquiry. See *id.* The district court accordingly admitted expert testimony on Dawson’s proof that the idea of Martin’s work was substantially similar to the idea of Dawson’s work. The court concluded that “the pattern, theme and organization of [Dawson’s] arrangement is unique among any other arrangement of this spiritual.” The court further found that “there are substantial similarities between [Dawson’s] and [Martin’s] arrangements regarding this unique pattern.” The district court therefore found for Dawson on the first prong of the substantial similarity inquiry. Thus, if Dawson could satisfy the second prong of the substantial similarity test, he would have made out a *prima facie* case of copyright infringement.

However, the district court ruled against Dawson on the second prong of the substantial similarity inquiry, holding that Dawson had not shown that the expression of ideas in Martin’s work was substantially similar to the expression of ideas in Dawson’s work. The court applied what has come to be known as the ordinary observer test, sometimes referred to as an “intrinsic” or “subjective” test, inquiring into the “total concept and feel” of the works *without* the aid of expert testimony. See, e.g., *Litchfield*, 736 F.2d at 1356; *Concrete Machinery*, 843 F.2d at 608. More specifically, the court interpreted the ordinary observer test to be an ordinary lay observer test, which imposed upon Dawson the obligation to prove to a lay observer that the expression of ideas in the works was substantially similar. Other than the expert testimony used in evaluating the extrinsic similarity of the two works, the only evidence on substantial similarity was the sheet music of the two arrangements. Dawson had not presented recordings of

¹Some courts use a different set of labels for the two-prong inquiry, referring to the first prong as establishment of copying and the second prong as establishment of illicit appropriation. See, e.g., *Concrete Machinery*, 843 F.2d at 608; *Whelan*, 797 F.2d at 1232; *Atari*, 672 F.2d at 614. The difference in labels need not concern us because the apparent consensus as to the nature of the tests applicable to each prong of the substantial similarity inquiry smooths over, as a practical matter, underlying differences in the inquiry’s two characterizations.

performances of the two arrangements. The district court found that, as an ordinary *lay* observer, with nothing before him other than the sheet music, he could not determine that the two works were substantially similar. It is the district court's holding as to the second prong of the substantial similarity test that we now examine.

II

We direct our attention to the district court's characterization of the ordinary observer test as an ordinary *lay* observer test. We are well aware of the existence of that characterization in the case law. However, as demonstrated below, obedience to the undisputed principles of copyright law and the policy underlying the ordinary observer test requires a recognition of the limits of the ordinary *lay* observer characterization of the ordinary observer test. Those principles require orientation of the ordinary observer test to the works' intended audience, permitting an ordinary *lay* observer characterization of the test only where the lay public fairly represents the works' intended audience.

A

Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946), provides the source of modern theory regarding the ordinary observer test. *Arnstein* involved the alleged infringement of a popular musical composition. Writing for the panel, Judge Jerome Frank first explained that "the plaintiff's legally protected interest is not, as such, his reputation as a musician but his interest in the potential financial returns from his compositions which derive from the lay public's approbation." *Id.* at 473. This initial observation gave force to the recognized purpose of the copyright laws of providing creators with a financial incentive to create for the ultimate benefit of the public. See *Mazer v. Stein*, 347 U.S. 201, 219 (1954)

("The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and the useful Arts.' Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered."); see also Note, *The Role of the Expert Witness in Music Copyright Infringement Cases*, 57 Fordham L. Rev. 127, 132 (1988) [hereinafter *Role of the Expert Witness*] ("Under *Arnstein*, an action for infringement of a music copyright serves to compensate the plaintiff for the deprivation of potential financial returns that results from the defendant's copying"); Note, *Copyright Infringement Actions: The Proper Role for Audience Reactions in Determining Substantial Similarity*, 54 S. Cal. L. Rev. 385, 392 (1981) [hereinafter *Role for Audience Reactions*] ("[C]opyright protection does not exist for the gratification of the artist's ego; it exists for the gratification of the artist's pocket-book.").

Consistent with its economic incentive view of copyright law, the *Arnstein* court concluded that "the question, therefore, is whether defendant took from plaintiff's works so much of what is pleasing to the ears of lay listeners, *who comprise the audience for whom such popular music is composed*, that defendant wrongfully appropriated something which belongs to plaintiff. 154 F.2d at 473 (emphasis added). Thus, under *Arnstein*, a court should look to the reaction of "lay listeners," because they comprise the audience of the plaintiff's work. The lay listener's reaction is relevant because it gauges the effect of the defendant's work on the plaintiff's market. See Note, *Defining the Scope of Copyright Protection for Computer Software*, 38 Stan. L. Rev. 497, 514 (1986) ("The total concept and feel of ordinary literary works is relevant because it is the basis on which potential purchasers of the work identify and choose them. If one work appears similar to another in the eyes of the ordinary lay observer, it is likely to appear the same to most consumers, and its adverse effect on demand for the protected work is cause to proscribe it."); see also *Role for Audience Reactions* at 393 ("it is the actual audience, and not some obscure notion of an average reasonable person, that provides the artist with the economic incentive to create").

Although *Arnstein* established a sound foundation for the appeal to audience reaction, its reference to “lay listeners” may have fostered the development of a rule that has come to be stated too broadly. Under the facts before it, with a popular composition at issue, the *Arnstein* court appropriately perceived “lay listeners” and the works’ “audience” to be the same. However, under *Arnstein*’s sound logic, the lay listeners are relevant only because they comprise the relevant audience. Although *Arnstein* does not address the question directly, we read the case’s logic to require that where the intended audience is significantly more specialized than the pool of lay listeners, the reaction of the intended audience would be the relevant inquiry. In light of the copyright law’s purpose of protecting a creator’s market, we think it sensible to embrace *Arnstein*’s command that the ultimate comparison of the works at issue be oriented towards the works’ intended audience.

Our reading of *Arnstein* brings our analysis into line with *Sid & Marty Krofft Television v. McDonald’s Corp.*, 562 F.2d 1157 (9th Cir. 1977), another landmark case involving questions of substantial similarity. *Krofft* announced that the test for determining substantial similarity in the expression of ideas of two works “shall be labeled an intrinsic one — depending on the response of the ordinary reasonable person.” *Id.* at 1164. *Krofft* relied upon *Arnstein* and upon language from *Twentieth Century-Fox Film Corp. v. Stonesifer*, 140 F.2d 579 (9th Cir. 1944), which directed the court’s attention to “the observations and impressions of the average reasonable reader and spectator.” *Id.* at 582 (emphasis added). When applying its intrinsic test, the *Krofft* court noted the particular audience to which the works in question were directed. The court wrote:

The present case demands an even more intrinsic determination because both plaintiffs’ and defendants’ works are directed to an audience of children. *This raises the particular factual issue of the impact of the respective works upon the minds and imaginations of young people.*

562 F.2d at 1166 (emphasis added). Thus, the *Krofft* court believed that the perspective of the specific audience for which the products were intended (children) was the relevant perspective for the ordinary observer test. See also *Aliotti v. R. Dakin & Co.*, 831 F.2d 898, 902 (9th Cir. 1987) ("Because children are the intended market for the dolls, we must filter the intrinsic inquiry through the perception of children."). The Seventh Circuit adopted a similar position in *Atari*, 672 F.2d at 619, in which it held that differences in the products there at issue must be viewed from the perspective of the child audience for which the products were intended.

We suspect that courts have been slow to recognize explicitly the need for refining the ordinary observer test in such a way that it would adopt the perspective of the intended audience because, in most fact scenarios, the general lay public fairly represents the works' intended audience. As a result, "a considerable degree of ambiguity exists in this area; courts have not always made it apparent whether they are using a member of a specific audience, or simply an average lay observer as their spectator." *Role for Audience Reactions* at 386. Fortunately, the advent of computer programming infringement actions has forced courts to recognize that sometimes the non-interested or uninformed lay observer simply lacks the necessary expertise to determine similarities or differences between products. In *Whelan Associates v. Jaslow Dental Laboratory*, 797 F.2d 1222 (3d Cir. 1986), cert. denied, 479 U.S. 1031 (1987), the Third Circuit concluded that the ordinary observer arm of the substantial similarity test was not appropriate for the complex computer program copyright case before it. Writing for a unanimous panel, Judge Becker reasoned that the complexity of computer programs, combined with the general public's unfamiliarity with such programs, rendered the ordinary observer test senseless. He further reasoned that where the finder of fact is the same for both the extrinsic and intrinsic tests, it seems silly to ask the finder of fact to "forget" the expert testimony when considering similarity of expression. Judge Becker relied also on Federal Rule of Evidence 702, which permits expert testimony where it will be useful to a trier of fact. 797 F.2d at 1232-33. See also Comment, *The Incompatibility of Copyright and Computer Software: An Economic Evaluation and a Proposal for a Marketplace Solution*,

66 N.C.L. Rev. 977, 985 (1988) (in software cases, courts have generally abandoned a bifurcated approach to substantial similarity, using an integrated expert/lay test instead). *But see Manufacturers Technologies, Inc. v. CAMS, Inc.*, 706 F. Supp. 984, 1000-01 (D. Conn. 1989) (applying lay observer test to computer case).

We believe the *Whelan* analysis further supports our view. As *Whelan* reveals, only a reckless indifference to common sense would lead a court to embrace a doctrine that requires a copyright case to turn on the opinion of someone who is ignorant of the relevant differences and similarities between two works. Instead, the judgment should be informed by people who are familiar with the media at issue. See Note, *Whelan Associates v. Jaslow Dental Laboratory: Copyright Protection for the Structure and Sequence of Computer Programs*, 21 Loy. L.A.L. Rev. 255, 294 (1987).

In addition to conforming to the policy underlying the ordinary observer test and the doctrine that has developed for child product and computer cases, our view that the ordinary observer inquiry must adopt the perspective of the works' intended audience finds abundant direct support in the copyright literature. For example, our conclusion tracks closely the thesis of *Role of Audience Reactions*, which argues that a precise audience test should replace the average lay observer test which is "obsolete when dealing with works aimed at a distinguishable audience group." The note intelligently observes:

[In] cases dealing with works of broad public appeal, the best representative of the audience may in fact be the average lay person. But in all other cases identification of the audience, and the subsequent decision about whether to narrow the group of average lay observers to this particular audience, should enter into the determination of substantial similarity.

Id. at 387. Another commentary has noted:

If, as *Arnstein* suggested, copyright law should protect the plaintiff's interest in potential financial returns, the ultimate test for infringement should consider specifically the response of the market from which those returns would derive.

Role of the Expert Witness at 144-45. Still another has written:

Most often courts speak of the ordinary observer test. This [commentary] adopts the audience test for terminology to emphasize the fact that when a work appeals to a particular audience, its reaction is a more valid indicator of substantial similarity than that of the ordinary observer.

Recent Development, 36 Vand. L. Rev. 1277, 1290 n.91 (1983). Professor Nimmer has described the law as being, "If the works in issue are directed to a particular audience, then the 'spontaneous and immediate' reaction of that audience is determinative." 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 13.03[E], at 13-62.4 n.202 (1989). Another commentary has nicely abstracted from the computer cases the conclusion we reach in this case as follows:

[The ordinary observer test] assumes that if the ordinary person *in the position of the intended audience for the works in question* would recognize (the two works) as substantially similar, then protectible expression has been infringed. Differences that might be discoverable with 'meticulous scrutiny' are not significant if the average member of the typical audience 'would be disposed to overlook' those differences.

(Emphasis in original.)

When dealing with computer programs, care may have to be taken in choosing the 'ordinary observer.' The average judge or jury cannot read source code or appreciate the 'total concept and feel' of a program. Thus, *it is necessary to rely on*

the reaction of persons who do typify the members of the intended audience.

(Emphasis added.) Clapes, Lynch & Steinberg, *Silicon Epics and Binary Bards: Determining the Proper Scope of Copyright Protection for Computer Programs*, 34 U.C.L.A. L. Rev. 1493, 1571 (1986-87).

B

Under the foregoing logic, we state the law to be as follows. When conducting the second prong of the substantial similarity inquiry, a district court must consider the nature of the intended audience of the plaintiff's work. If, as will most often be the case, the lay public fairly represents the intended audience, the court should apply the lay observer formulation of the ordinary observer test. However, if the intended audience is more narrow in that it possesses specialized expertise, relevant to the purchasing decision, that lay people would lack, the court's inquiry should focus on whether a member of the intended audience would find the two works to be substantially similar. Such an inquiry may include, and no doubt in many cases will require, admission of testimony from members of the intended audience or, possibly, from those who possess expertise with reference to the tastes and perceptions of the intended audience.

We recognize the appeal of blind adherence to the lay observer characterization of the ordinary observer test even where the intended audience possesses specialized knowledge and such adherence is therefore theoretically inappropriate. The lay observer test spares a court the burden of inquiring into, and drawing conclusions regarding, the nature of the works' intended audience. That burden would be a substantial one if our holding were read as an invitation to every litigant in every copyright case to put before the court the seemingly unanswerable question of whether a product's audience is sufficiently specialized to justify departure from the lay characterization of the ordinary observer test. Al-

though the existence of difficulties attendant to application of a test that a doctrine compels is an insufficient reason not to use the test, concerns about copyright actions becoming unwieldy are legitimate.

We therefore believe that, in any given case, a court should be hesitant to find that the lay public does not fairly represent a work's intended audience. In our opinion, departure from the lay characterization is warranted only where the intended audience possesses "specialized expertise." We thereby pay heed to the need for hesitancy when departing from the indiscriminately selected lay public in applying the test. To warrant departure from the lay characterization of the ordinary observer test, "specialized expertise" must go beyond mere differences in taste and instead must rise to the level of the possession of knowledge that the lay public lacks.

We believe that, especially given the explicitness of our holding, "intended audience" should supplant "ordinary observer" as the label for the appropriate test. The new label is appropriate not because we have changed the test, but because the imprecision of the old label leads to application of an ordinary lay observer test even where such a test is inappropriate. However, mindful of the harm that has resulted from reliance upon labels in this doctrinal area, we emphasize that our clarification of the doctrine is motivated by the policies underlying the doctrine, namely, the theoretical propriety of looking to the effect of the defendant's work on the plaintiff's market and the practical evil of having an unaided uninformed finder of fact deciding the crucial issue in a case. We intend to make the rule more precise, not to change it.

III

In light of our statement of the law in Section II, we think remand is necessary because the district court did not inquire into whether the audience of Dawson's work possessed specialized expertise that the lay public lacks and, therefore, whether the

general, undifferentiated lay public fairly represents the intended audience of Dawson's arrangement. It is true that the case with which we contend involves music and courts routinely, and properly, apply the ordinary lay observer test to music cases. See, e.g., *Baxter v. MCA*, 812 F.2d 421, 424 n.2 (9th Cir. 1987) (rejecting, in dictum, in the context of recordings to be used as a popular movie soundtrack, the proposition that the mere fact that a case involves music requires departure from the lay observer test). However, Dawson alleged infringement of a spiritual arrangement, not a popular recording. We suspect that the distinction may have implications for the determination of the intended audience of Dawson's work. It may be that a popular recording of a love ditty pitched at the broadest of audiences is marketed to the general public far more so than is a spiritual arrangement. It is quite possible that spiritual arrangements are purchased primarily by choral directors who possess specialized expertise relevant to their selection of one arrangement instead of another. Whereas a lay person's reaction may be an accurate indicator of the extent to which those in the market for a popular recording will perceive another recording to be substantially similar, a lay person's reaction might not be an accurate indicator of how expert choral directors would compare two spiritual arrangements.

Given the need to measure substantial similarity by the reaction of the ordinary observer within the intended audience, Dawson's failure to enter into evidence recordings of performances of the two arrangements is not fatal to his case. Use of a recording is obviously appropriate where a plaintiff sells recordings for the public to buy. However, Dawson does not sell recordings. He apparently sells sheet music arrangements to those who may make a purchasing decision on the basis of the sheet music. Although the district court's heavy reliance upon Dawson's failure to present a recording of the arrangements made sense in light of its application of the ordinary lay observer test, the conclusion would not make sense if it were the case that the audience for Dawson's spiritual arrangement had specialized expertise relevant to its purchasing decision. There is no reason for Dawson to submit recordings to persuade a lay listener that the arrangements are substantially similar if the lay listener's conclusion would not reflect the response of the choral directors who would purchase

one arrangement over another on the basis of the arrangement's sheet music.

Furthermore, it may be that recordings of performances of the arrangements would not only be irrelevant but could indeed hinder the relevant inquiry. It may be that the sound of the performance of an arrangement is a function of not only the arrangement itself, but of the choral director's interpretation of the arrangement. Thus, differences and similarities in the sound of performances of two arrangements may represent something other than differences and similarities in the arrangements themselves. In addition, comparison of two recordings of performances of the arrangements would fail to take account of the different interpretations to the arrangements that purchasers intended to inject, rendering such a comparison even more misleading. These problems, of course, are not presented when actual recordings are at issue and therefore further distinguish the problems posed by spiritual arrangements as compared to popular recordings.

The district court did not make explicit factual findings on the issues of what the intended audience was and whether members of that audience have specialized expertise relevant to their purchasing decision. We offer our suspicions merely as explanations for why remand is necessary, not as predictions of the outcome of factual inquiry. Therefore, we decline to remand with instructions that the district court define an audience distinct from the ordinary lay observer. Instead, we remand with instructions that the district court determine whether definition of a distinct audience is appropriate in this case. Assuming such a definition is appropriate, the district court should then take additional evidence to determine whether members of the intended audience would find the arrangements to be substantially similar.

The facts of this case present a particularly inviting context in which to refine the ordinary observer test by requiring that the ordinary observer be the intended audience. To say the least, Dawson's claim is not bogus. The district court found extensive similarities between Dawson's and Martin's works. The logic of traditional copyright doctrine, as reflected in the case law and the consensus of the commentaries that have addressed the matter,

compels our result. To hold otherwise would be to allow the imprecise "ordinary lay observer" label to effect a betrayal of the fundamental purposes of copyright doctrine and the substantial similarity test.

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION

—◆—
FILED: DEC 21 1988
—◆—

WILLIAM L. DAWSON,)	
)	
Plaintiff)	
)	
v.)	C-87-160-D
)	
HINSHAW MUSIC INC., and)	
GILBERT M. MARTIN,)	
)	
Defendants)	

J U D G M E N T

The Court tried the claims of plaintiff William L. Dawson without a jury. Pursuant to Rule 52, Fed.R.Civ.P., the Court made Findings of Fact and Conclusions of Law which were filed contemporaneously herewith. Therein the Court held that judgment on plaintiff's claims should be rendered for the defendants and dismissed plaintiff's claims with prejudice.

NOW, THEREFORE, pursuant to the Findings of Fact and Conclusions of Law filed herein, IT IS ORDERED AND ADJUDGED that plaintiff William L. Dawson have and recover NOTHING from the defendants, and that his claims in this action be, and the same hereby are, DISMISSED.

S/ Hiram H. Ward

United States District Judge

December 21, 1988.

FILED: DEC 21 1988

Defendants

Appendix 17

I.

In accordance with Rule 52 of the Federal Rules of Civil Procedure, the Court makes the following specific findings of fact based upon the stipulations of the parties, the testimony at trial, and the exhibits received into evidence.

1. Plaintiff William L. Dawson is a well known composer, arranger, and conductor of Negro folk songs and spirituals, and a citizen and resident of Alabama. (Order on Final Pretrial Conf. ¶¶ 7(a), (d) [March 30, 1988]).
2. Defendant Hinshaw Music, Inc. [the defendant corporation] is a corporation organized under the laws of North Carolina with its principal place of business in Chapel Hill, North Carolina. (*Id.* ¶ 7(b)).
3. Defendant Gilbert M. Martin is a free-lance composer, arranger, and conductor of choral music and a citizen and resident of New York. (*Id.* at 7(c)).
4. The defendant corporation is engaged in the business of publishing music and has sales in many states, including Louisiana. (*Id.* at 7(b)).
5. In 1940, John W. Work composed a spiritual entitled "Ezek'el Saw the Wheel" the words and melody of which are in the public domain. (*Id.* ¶ 7(m); Plaintiff's Exhibit 3).
6. Soon thereafter, plaintiff composed an arrangement of Work's spiritual entitled "Ezekiel Saw de Wheel." (Plaintiff's Exhibit 1). In 1942, plaintiff received a Certificate of Copyright Registration (No. E Pub. No. 108,496) from the United States Copyright Office. (Order on Final Pretrial Conference ¶ 7(e)). Plaintiff renewed this copyright registration (No. R469,175) in 1969. (*Id.*) The parties stipulate that plaintiff owns a valid and enforceable copyright in his arrangement "Ezekiel Saw de Wheel."

7. During the period of time from 1942 until 1967, plaintiff acted as his own publisher and sold thousands of copies of his arrangement. In 1967, Kjos Music Company was appointed the exclusive sales agent for the arrangement. Kjos sold more than 40,000 copies of plaintiff's arrangement between 1977 and 1979, and more than 113,000 copies between 1977 and May 1988. Sales records for the years prior to 1977 are not available.
8. Defendant Martin attended Westminster Choir College from 1958-1960 following his graduation from high school. He studied voice, choir and organ.
9. Defendant Martin enlisted in the Air Force in 1960 where he was an organist and choir conductor at an Air Force chapel. He occasionally arranged music for the chapel's eight to ten voice choir.
10. During his Air Force enlistment, defendant Martin also arranged music for a college play, and composed the music for his own wedding, which resulted in a part-time job with Lorenz Publishing Company editing choral and organ music.
11. Following his service in the Air Force in 1966, defendant Martin completed his studies at Westminster Choir college graduating in 1968. Martin did not study spirituals.
12. Following graduation Martin worked full time for Lorenz Publishing Company, in Cincinnati, Ohio, as an arranger and composer. Lorenz is an in-house publisher of sacred organ and choral music.
13. While working at Lorenz Publishing Company, defendant Martin composed and arranged main stream church choir and organ music that was published in monthly subscription choral magazines.
14. Defendant Martin composed and arranged approximately 30 to 40 compositions per month under his own name and various pseudonyms.

15. By the end of his employment at Lorenz in 1975, Martin had published 139 choral arrangements and 301 organ pieces, while 50 arrangements still remain in the Lorenz archives unpublished. Six of the choral arrangements were spirituals.
16. While working at Lorenz in 1972 Martin published a two page arrangement of "Ezekiel" under the pseudonym "Dennis Elliott." He was unable to produce a copy of that arrangement.
17. Defendant Martin has been a free lance composer and arranger of sacred choral and organ music since 1975.
18. Defendant corporation is Martin's primary publisher and has published 41 Martin arrangements since 1975, while 40 arrangements are published by other publishers.
19. In 1980, defendant Martin composed an arrangement of John W. Work's spiritual entitled "Ezekiel Saw the Wheel." (Order on Final Pretrial Conf. ¶ 7(O); Plaintiff's Exhibit 2). At this time, he had considerable experience as an arranger of sacred choral music which included several Negro spirituals. On October 8, 1980, defendant Martin granted the defendant corporation exclusive rights to publish, distribute, and sell his arrangement. (Defendant Corporation's Exhibit 33). In this royalty contract, defendant Martin agreed to indemnify the defendant corporation for any loss or expense arising from infringement of copyright. (*Id.*).
20. The defendant corporation copyrighted defendant Martin's arrangement in 1981 and began publishing it at that time. (Order on Final Pretrial Conf. ¶ 7(l)).
21. Many other published choral arrangements of "Ezekiel Saw the Wheel" exist and possess the following typical characteristics:
 - a. multiple (at least two) voice parts;
 - b. harmonization and other accompaniment; and

- c. use of various musical and arranging tools, including introductions, bridges, rhythm, modulation, repetition, augmentation, counterpoint, accompaniment, voicing, *ostinato*, tempo changes, pitch, and text.
22. Plaintiff's arrangement and that of defendant Martin are similar in the following respects:
- a. The John W. Work source version is divided into two sections or segments;
 - b. the first segment is repeated several times before moving to the second segment (plaintiff repeats the first segment three times while defendant repeats it four times);
 - c. the first repetition is performed by one voice (Martin) or a single set of voices in unison (Dawson);
 - d. the second repetition of the first segment introduces other voices with identical harmonization in musical thirds;
 - e. the third repetition starts with the melody in unison but inserts counterpoint (two or more different lines of voices singing simultaneously) using the lower voices at the same place;
 - f. both employ a "thickening of texture" during the first segment (plaintiff by adding voices and defendant by adding piano accompaniment);
 - g. at the beginning of the second segment the lyrics are changed from the John W. Work source version and the word "run" is substituted for "moved" (most other arrangements also make this substitution);
 - h. upon completion of the repetitions of the first segment begins a treatment of the verses;

- i. the first verse of the John W. Work source version is omitted and each begins with the second verse found in the John W. Work version;
- j. the second segment begins with a call by the lower voices and a response by the upper voices;
- k. both use an *ostinato* accompaniment to the melody as a device to build the music toward a climax;
- l. the *ostinato* section is repeated several times;
- m. during the first repeat a single voice (Martin) or unison voices (Dawson) carry the melody over the *ostinato* accompaniment;
- n. each employs repetitions of "wheel-in-a-wheel" to create a melodic *ostinato* that is not found in any other arrangement;
- o. the second repeat adds voices carrying the melody harmonizing in thirds over the *ostinato*;
- p. at the conclusion of the *ostinato* both specify loudness or "ff" (fortissimo — all you have that is good) at the same point;
- q. both arrangements then slow the music thereby building a climax (Dawson using "ad libitum" and Martin using "slow");
- r. the tempo is then restored at the same place (Dawson using "a tempo" and Martin employing "tempo primo");
- s. both arrangements are written in double measure (Dawson in 2/4 and Martin in 4/4);
- t. both use a stress mark on the lyric "faith" at the end of the first segment;

- u. this is closely followed by a *crescendo* in substantially the same place (plaintiff begins with "grace" and defendant with "by the grace");
 - v. both also use a second *crescendo* on the lyric "wheel."
23. Plaintiff's arrangement and that of defendant Martin are dissimilar in the following respects:
- a. During the repetitions of the first segment, plaintiff repeats the segment three times, while defendant repeats it four times (defendant combines the arrangement devices used in the second and third repeats for this fourth repeat);
 - b. plaintiff's arrangement is in 2/4 time while defendant uses 4/4 time;
 - c. the titles are different;
 - d. the lyrics of plaintiff's arrangement are in dialect while those of defendant's are not;
 - e. plaintiff uses traditional chromatic chords for the harmonies, while defendant's use of modulation and insertion of "blue notes" and "jazz notes" adds a jazzy, upbeat rhythmic treatment to the traditional harmonies;
 - f. defendant arranged his version for use by smaller less experienced choirs with the division of parts never exceeding three voices, whereas plaintiff arranged for large professional choirs providing at times for twelve simultaneous voice parts;
 - g. defendant uses various special creative effects (piano introduction, bridge, melodic "blue" notes, piano accompaniment) that are not used by plaintiff, while plaintiff uses other creative effects (a "hallelujah" chorus section and a lengthy *ostinato* repetition of "doom-a-loom-a" section) not used by defendant;

- h. defendant uses a traditional version of the "call and response" to begin the second segment (men's and women's voices respectively perform the call and response), whereas plaintiff departs from this traditional role and uses simply different voices;
 - i. defendant uses only a single verse while plaintiff employs three verses.
- 24. The pattern, theme and organization of plaintiff's arrangement is unique among any other arrangement of this spiritual.
- 25. There are substantial similarities between plaintiff's and defendant's arrangements regarding this unique pattern.
- 26. The only admissible evidence submitted on the issue of substantial similarity of protected expression is the written sheet music for each arrangement.
- 27. Upon being informed by plaintiff in December 1981 that he considered defendant Martin's arrangement to be an unlawful infringement of his copyright, the defendant corporation suspended publication, distribution, and sale of "Ezekiel Saw the Wheel." However, it resumed publication and sale of the arrangement in April 1982 after obtaining several opinions that there was no infringement.
- 28. On June 10, 1986, plaintiff filed this action in United States District Court for the Middle District of Louisiana, alleging that the defendant corporation had infringed, and was infringing, his copyright by publishing and selling the musical arrangement of "Ezekiel Saw the Wheel." On December 4, 1986, plaintiff added Martin as a defendant in this case. Thereafter, the action was transferred pursuant to 28 U.S.C. § 1404(a) to the Middle District of North Carolina.
- 29. On May 28, 1987, the defendant corporation filed a crossclaim against defendant Martin, alleging its entitlement to full reimbursement under an indemnity agreement for all loss and expense incurred in defending the copyright infringement action.

30. On January 15, 1988, the Court denied defendants' motion for summary judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure, noting both the existence of genuine issues of material fact and its reluctance to recognize a *per se* rule that a derivation of a work in the public domain does not infringe the copyright of another.
31. As of the date of trial, the defendant corporation had received a total of \$36,278.29 in gross sales from defendant Martin's arrangement. Defendant corporation's total expenses (including royalties paid to defendant Martin) were \$15,251.54. Thus, defendant corporation's net profits were \$21,026.75. Defendant Martin received \$8,442.00 in royalties from defendant corporation.

II.

The right of copyright is a creature of federal statute, originally enacted in 1790, and is based upon the Constitution Article I, Section 8, clause 8. *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 432 (4th Cir. 1986). Present statutory authority for the right of copyright is embodied in the Copyright Act of 1976, as amended in 1980, codified at 17 U.S.C. § 101 *et seq.* In this case, plaintiff claims infringement of his copyright in violation of the Copyright Act. Specifically, he requests damages resulting from the infringement equal to actual damages plus defendants' profits, or, alternatively, statutory damages pursuant to 17 U.S.C. § 504, whichever is greater. Plaintiff also seeks a permanent injunction under 17 U.S.C. § 502(a), and costs and reasonable attorneys' fees under 17 U.S.C. § 505. Additionally, the defendant corporation claims that defendant Martin is liable for its liability, if any, for plaintiff's claim.

A. Copyright Infringement

Summarizing the basic law germane to a copyright infringement claim is often much easier than applying it. Briefly, a plaintiff must show (1) ownership of a valid copyright and (2) copying of protectible expression by the defendant. *Baxter v. MCA, Inc.*, 812 F.2d 421, 423 (9th Cir.), *cert. denied*, ___ U.S. ___, 108 S.Ct. 346, 98 L.Ed.2d 372 (1987); *Atari, Inc. v. North American*, 672 F.2d 607, 614 (7th Cir.), *cert. denied*, 459 U.S. 880 (1982); 3 M.Nimmer, *Nimmer on Copyright*, § 13.01 (1986) (hereafter *Nimmer on Copyright*). Only after establishing *both* of these elements may plaintiff prevail.

1. Ownership

To prove the first element of his copyright infringement claim, plaintiff must establish the material's originality and its copyrightability, along with his compliance with applicable statutory formalities. *Apple Barrel Prods., Inc. v. Beard*, 730 F.2d 384, 387 (5th Cir. 1984). In this case, defendants do not contest the originality of plaintiff's arrangement. Similarly, defendants do not dispute that plaintiff complied with the applicable statutory formalities mandated by the Copyright Act of 1976.

The law of this circuit recognizes that a certification of copyright "is prima facie proof of the validity of the plaintiff's copyright" *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d at 434. *See also* 17 U.S.C. § 410(c) (mandating that "the certificate of a registration ... shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate"). In this case, plaintiff originally registered for copyright protection for his arrangement and received a Certificate of Copyright Registration (No. E Pub. No. 108,496) in 1942 which he renewed (No. R469,175) in 1969. Consequently, the undisputed facts require a finding that plaintiff *owned* copyrighted material in "Ezekiel Saw de Wheel."

2. Copying

In addition to proving copyright protection, plaintiff must also establish that defendants infringed that protection by copying the protected material. Copying is often difficult to prove because there is seldom direct evidence. However, copying may be proven indirectly by using a judicially created rebuttable inference arising from a showing that defendants (1) had access¹ to the copyrighted work prior to the creation of defendant's work, and (2) *substantial similarity* of both general ideas and expression between the copyrighted work and the defendant's work. *Baxter v. MCA, Inc.*, 812 F.2d at 423 (emphasis added); *Concrete Machinery Co. v. Classic Lawn Ornaments*, 832 F.2d 600 (1st Cir. 1988). See 3 *Nimmer on Copyright* § 13.01(b) (1986). Alternatively, plaintiff may avoid the need for this presumption by offering direct evidence of copying.

III.

Access is defined as the opportunity to view the copyrighted work. *Ferguson v. National Broadcasting Co., Inc.*, 584 F.2d 111, 113 (5th Cir. 1978); 3 *Nimmer on Copyright* § 13.02(A) (1986). That opportunity to view must exist by a reasonable possibility. *Testa v. Janssen*, 492 F.Supp. 198, 204 (W.D.Pa. 1980). When there is no direct evidence regarding access to the copyrighted work, then an inference of access may be established by evidence that is greater than mere speculation or conjecture. *Id.*

¹However, absent evidence of access, a "striking similarity" between the works may give rise to a permissible inference of copying. *Selle v. Gibb*, 741 F.2d 896, 901 (7th Cir. 1984); *Ferguson v. National Broadcasting Co., Inc.*, 584 F.2d 111, 113 (5th Cir. 1978); 3 *Nimmer on Copyright* § 13.01(A) (1986). To prove that similarities are striking, a plaintiff must demonstrate that the similarities are of a kind that can only be explained by copying rather than by coincidence, independent creation, or prior common source. *Selle v. Gibb*, 741 F.2d at 901; *Testa v. Janssen*, 492 F.Supp. 198, 203 (W.D.Pa. 1980); 3 *Nimmer on Copyright* § 13.02(B) (1986). Proof of striking similarity is an alternative means of proving copying where proof of access is absent. *Selle v. Gibb*, 741 F.2d at 901.

In the case *sub judice*, the parties greatly dispute whether defendant Martin had the requisite access to plaintiff's work. First, plaintiff notes his dedication of the arrangement in 1942 to Dr. J. Finley Williamson, president of Westminster Choir College, as well as defendant Martin's attendance at the school from 1958 to 1960 and again from 1966 to 1968. Moreover, plaintiff contends, defendant Martin similarly had at least *potential* access to the work by virtue of his access to the music library at Lorenz Publishing Company while employed there. In addition, plaintiff points to defendant Martin's extensive experience in arranging, conducting, and performing choral works as well as the widespread distribution and sale of plaintiff's arrangement as proof justifying the inference of access to the work.

On the other hand, defendant Martin contends that, at the time of his arrangement of the tune, he was completely unaware of the existence of plaintiff's arrangement. Instead, defendants argue, Martin relied on a published version of the song in a well known sourcebook entitled *American Negro Songs* written by John W. Work. Thus, they contend, Martin's arrangement is an independent creation and thereby does not infringe plaintiff's copyright.²

The Court finds in plaintiff's favor on the issue of defendant's access to the copyrighted work. The Court relies both on direct evidence of access, as well as plaintiff's showing of substantial similarity of ideas. Evidence on the issue indicates an inference of

²In addition, neither Dr. George Lynn, conductor of the Westminster Choir from 1963-69, nor Bob Simpson, conductor of the Chapel Choir during Martin's tenure as a student, recalled conducting or performing plaintiff's arrangement. (Supplemental Stipulations §§ 2, 3). Moreover, the associate librarian at the college did not find a single program out of the fifty-six she located that listed or included a performance of plaintiff's arrangement by the college choirs during Martin's tenure as a student. (*Id.* ¶ 5).

access beyond a mere speculation or conjecture. See *Testa v. Janssen*, 492 F.Supp. at 203. Defendant for many years has been a composer, arranger and director in the very narrow musical field of sacred choral music. Plaintiff's copyrighted arrangement, "Ezekiel Saw de Wheel," falls within that narrow field of music, and is considered a classic within that field. Defendant admits that he is familiar with the reputation of plaintiff as a well-known arranger and director of choral music. Kjos Music Company, the exclusive sales agent for plaintiff's arrangement, indicated that it had sold 40,000 copies of the arrangement between 1977 and 1979 and 113,396 copies between 1977 and May 1988.³ Taking into account the very specialized and narrow field of music within which these distributions were made, and defendant Martin's expertise in this area, there is certainly a reasonable possibility of access. Moreover, the evidence presented under the extrinsic standard clearly establishes substantial similarities between the two arrangements (See *infra* at 13-14), that when coupled with the dissemination evidence requires a finding of *access* to the copyrighted work.

IV.

The term "substantial similarity" is necessarily vague and difficult to apply. *Giangrasso v. CBS, Inc.*, 534 F.Supp. 472 (E.D.N.Y. 1982). Courts define and analyze this concept as a limiting prin-

³Sales records prior to 1977 were destroyed when Kjos moved its operations from Indiana to California that year. While sales subsequent to defendant's arrangement (1980) are not permissible to establish an inference of access, the records do indicate the continued popularity and distribution of plaintiff's arrangement long after its heyday in the 1940's and 1950's.

ciple delineating the scope of copyright protection. See *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977). It is an axiom of copyright law that the protection granted to a copyrighted work extends only to the particular expression of the idea and never to the idea itself. *Mazer v. Stein*, 347 U.S. 201, 217-18, 74 S.Ct. 460, 98 L.Ed. 630 (1954). Two steps are implied in the analytic process by requirement of substantial similarity: there must be substantial similarity not only of the general ideas but of the expressions of those ideas.⁴ *Concrete Machinery Co. v. Classic Lawn Ornaments*, 843 F.2d at 606-07; *Berkic v. Crichton*, 761 F.2d 1289 (9th Cir.), cert. denied, 474 U.S. 826 (1985); *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d at 1164.

This two-part test for substantial similarity draws a distinction between "noninfringing 'copying,' on the one hand, which may be inferred from substantial similarities between the two works, and infringing 'illicit copying,' on the other, which demands that such similarities relate to protectible material." *Walker v. Time-Life Films, Inc.*, 784 F.2d 44, 51 (2d Cir.), cert. denied, 476 U.S. 1159 (1986). The determination of whether there is substantial similarity in ideas in the first instance is often called the "extrinsic test," and is objective because "it depends not on the response of the trier of fact, but on specific criteria which can be listed and analyzed." *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d at 1164. Analysis, dissection, and expert testimony are relevant on this issue. *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir.), aff'd on reh., 158 F.2d 795 (1946). See *Alliotti v. R. Dakin & Co.*, 831 F.2d 898, 900 (9th Cir. 1987); *Walker v. Time Life Films, Inc.*, 784 F.2d at 51.

⁴The idea-expression dichotomy attempts to reconcile two competing social interests: rewarding individual creativity, while at the same time permitting the public to enjoy the benefits from use of the same subject matter. *Pendleton v. Acuff-Rose Publications, Inc.*, 605 F.Supp. 477, 484 (M.D.Tenn. 1984) (citing *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 1157, 1163 (9th Cir. 1977)). The Copyright Act of 1976 codifies this idea-expression dichotomy. 17 U.S.C. § 102(b); see *Atari, Inc. v. North American*, 672 F.2d 607, 615 (7th Cir.), cert. denied, 459 U.S. 880 (1982).

If copying is established under the first prong of this two-part test for substantial similarity, then "only does there arise the second issue, that of *illicit copying* (unlawful appropriation)." *Walker v. Time Life Films, Inc.* 784 F.2d at 51 (citing *Armstein v. Porter*, 154 F.2d at 468) (emphasis in original). This second prong is often called the "intrinsic test," and is subjective in nature because it depends on the response of the ordinary reasonable person, analytic dissection and expert testimony are not appropriate on this issue. *Id.*; see *Concrete Machinery Co. v. Classic Lawn Ornaments*, 843 F.2d at 608; *Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 120 (8th Cir. 1987); *M. Krammer Mfg. Co. v. Andrews*, 783 F.2d at 421; *Selle v. Gibb*, 741 F.2d at 901; *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d at 1164; *Universal Athletic Sales Co. v. Salkeld*, 511 F.2d 904, 907 (3d Cir.), *cert. denied*, 423 U.S. 863 (1975); *Pendleton v. Acuff-Rose Publications, Inc.*, 605 F.Supp. at 481; *Atari, Inc. v. Amusement World, Inc.*, 547 F.Supp. at 229-30. The term substantial similarity between copyrightable expressions as determined by the ordinary reasonable person or observer is defined as "whether the accused work is so similar to the plaintiff's work that an ordinary reasonable person could conclude that the defendant unlawfully appropriated the plaintiff's protectible expression by taking material of substance and value."⁵ *Concrete Machinery Co. v. Classic Lawn Ornaments*, 843 F.2d at 607 (quoting *Educational Testing Services v. Katzman*, 793 F.2d 533, 541 (3d Cir. 1986)). See *Ideal Toy Corp. v. Fab-Lu Ltd.*, 360 F.2d 1021, 1022 (2d Cir. 1966)(whether an average lay observer would recognize the al-

⁵When reviewing the case law regarding the substantial similarity prong for copyright infringement at first blush there appears to be some confusion concerning the proper standard. See *Nimmer on Copyright* § 13.03(E)(1)(1986). However, the confusion is not as to whether to apply the extrinsic/objective test to the first prong, or whether to apply the subjective/ordinary lay observer test to the second prong of the idea/expression dichotomy, the circuits are consistent on this issue. See *supra* at 13-14. The confusion referred to by Professor Nimmer appears to stem from the fact that while a "'(r)ose is a rose is a rose is a rose,' substantial similarity is not always substantial similarity." *Universal Athletic Sales Co. v. Salkeld*, 511 F.2d 904, 907 (3d Cir.), *cert. denied*, 423 U.S. 863(1975). In the early history of copyright law, the courts generally applied solely the ordinary observer, or audience test, to determine substantial similarity in copyright infringement. See *Nimmer on Copyright*, § 13.03(E)(1) (1986). [continued on next page]

leged copy as having been appropriated from the copyrighted work).

Thus, ultimately, the determination of substantial similarity is not subject to objective standards. Infringement may be found even if only a small amount of the copyrighted work is taken, if it is qualitatively significant. *Hagan v. MacMillan, Inc.*, 789 F.2d 157 (2d Cir. 1986). Whether that is so in a musical copyright infringement action depends upon the response of the ordinary lay audience *Baxter v. MCA, Inc.*, 812 F.2d at 424 n.2.

This audience test was modified by *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946) where the court divided the issue of substantial similarity into two separate elements. The first element is whether the defendant copied from the plaintiff's work, and the second element, assuming the first was proven, is whether the copying went so far as to constitute an improper appropriation or unlawful copying. *Id.* at 468. The Ninth Circuit articulated this bifurcated test for infringement as whether there is substantial similarity as to general ideas contained in the two works, and whether there is substantial similarity in the expressions of those ideas so as to constitute infringement. *Sid & Marty Krofft Television v. McDonald's Corp.*, 562 F.2d 115 (9th Cir. 1977). The standard under which substantial similarity is shown under each prong is different. The first is called the extrinsic test and is established by objective evidence, analytic dissection and expert testimony. *Baxter v. MCA, Inc.*, 812 F.2d 421, 423-24 (9th Cir.), *cert. denied*, ___ U.S. ___, 108 S.Ct. 346, 98 L.Ed.2d 372 (1987); *Walker v. Time Life Films, Inc.*, 784 F.2d 44, 51 (2d Cir.), *cert. denied*, 476 U.S. 1159 (1986). The second is called the intrinsic test and is established by the subjective response of the ordinary reasonable observer or listener. *Id.* Thus, the distinction is drawn not in terms of the method of proof to be applied. Jeffrey G. Sherman, *Musical Copyright Infringement: The Requirement of Substantial Similarity*, 22 ASCAP Copyright L. Symposium 81, 93 (1977) (See Appendix, Item 3, Defendant's Trial Brief). Sherman, in summarizing the distinction, stated that

(a) defendant should not be held liable for infringement unless he copied a substantial portion of the complaining work and there exists the sort of aural similarity between the two works that a lay audience would detect. As to the first requirement, the portion copied may be either qualitatively or quantitatively substantial. As to the second, the two pieces must be similar enough to *sound* similar to a lay audience, since only then is it reasonable to suppose that the performance or publication of the accused work could in any way injure the rights of the plaintiff composer.

Id. at 145 (emphasis in original).

A. The Extrinsic Standard

The Court finds that the evidence presented under the extrinsic standard clearly establishes substantial similarities between the two arrangements. Under this first prong of the two-part test for substantial similarity, the Court turns to evidence of analysis, dissection and expert testimony. See *Arnstein v. Porter*, 154 F.2d at 468. The Court finds particularly compelling the testimony of plaintiff's expert, Herndan Spillman. Spillman meticulously analyzed and examined both arrangements. His testimony, and that of plaintiff's other expert, Robert Campbell, indicated that while plaintiff and defendant each employed common arranging devices in their respective arrangements, that plaintiff's pattern or scheme for putting these devices together was highly unique among any other arrangement of this public domain song before or since. The testimony indicated that the key to plaintiff's unique creativity is the pattern or structure of the arrangement, as well as, the key to its success. Spillman opined that defendant not only used some of the same arranging devices employed by plaintiff, but organized those devices in the exact same pattern or structure, and employed them in the same places and sequence within that structure. Spillman opined that the predominant original characteristic of plaintiff's arrangement is the melodic, rhythmic *ostinato* in the middle of the piece using the chord of thirds with an added sixth note, and that defendant directly copied this technique.

Defendants' experts, as well as defendant Martin, himself, not only admitted on cross examination that defendant's arrangement uses the same musical arranging devices as plaintiff's, but that defendant also used them in the same sequence and place. As further evidence of the similarities, Spillman stated that musical dynamic nuances, or markings, were also used in the same corresponding places in each arrangement. Spillman opined that this strongly indicated direct copying. He expressed his professional opinion that the two arrangements were "strikingly" similar and that defendant Martin could not have created his version independently. When confronted on cross examination with differences between the two arrangements, Spillman indicated that those differences were merely cosmetic and without significance.

Defendants did not refute this showing of similarities between the arrangements in the use of the same musical devices in the same pattern, even though there are a great variety of devices and patterns from which an arranger may choose. Instead, defendants' experts keyed on the differences of purpose and sound⁶ between the two arrangements. This only highlighted the number and significance of the similarities of general ideas on the issue of copying.

B. The Intrinsic Standard

There remains the final and dispositive issue of substantial similarity going to the question of improper appropriation. Once plaintiff has established a valid copyright and ownership, access to the copyrighted work and substantial similarity of the general ideas of the two works, then only does there arise the element of whether the inference of copying arises to an unlawful infringement or appropriation. See *Walker v. Time Life Films, Inc.*, 784 F.2d at 51. In order to meet his burden on this issue, plaintiff must prove by a preponderance of the evidence that the protectible expressions of ideas used in the two arrangements are substantially similar. See *Hartman v. Hallmark Cards, Inc.*, 833 F.2d at 120. Under this second step of the substantial similarity analysis, the

⁶Much of their testimony was directed at the second-prong of the substantial similarity test. While plaintiff's Motion in Limine seeking to prevent such testimony by defendants' experts on the issue of whether a copying is also an unlawful appropriation was not ruled upon prior to trial, in that it was a bench trial, it is clear that plaintiff's position is correct. See *Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 120 (8th Cir. 1987); *Baxter v. MCA, Inc.*, 812 F.2d at 424; *Walker v. Time Life Films, Inc.*, 784 F.2d at 51-52. Substantial similarity to show that the original work has been copied is not the same as substantial similarity to prove infringement. *Franklin Mint Corp. v. National Wildlife Art Exchange*, 575 F.2d 62 (3d Cir.), cert. denied, 439 U.S. 880 (1978). Ironically, it is plaintiff's very argument in this motion that serves as the basis for the Court's finding that plaintiff failed to establish copyright infringement.

trier of fact applies the ordinary observer test unaided by analytic dissection or expert testimony to determine whether the copying resulted in substantial similarity between the works. *Concrete Machinery Co. v. Classic Lawn Ornaments*, 843 F.2d at 608. This test is articulated as "whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work."⁷ *Ideal Toy Corp. v. Fab-Lu Ltd.*, 360 F.2d 1021, 1022 (2d Cir. 1966). While dissection and expert testimony are useful and valuable under the first prong analysis of substantial similarity of general ideas, to constitute infringement of expression, the total concept and feel of the works must be substantially similar to the ordinary lay audience or observer. *Litchfield v. Spielberg*, 736 F.2d at 1352, 1357 (9th Cir. 1984), *cert. denied*, 470 U.S. 1052 (1985).

In the context of this case, the distinction between these tests is important. Plaintiff failed to introduce any evidence on this issue. Normally in a music copyright infringement case, the Court, sitting as the trier of fact in a bench trial, would stand as the ordinary lay audience and listen to the musical compositions or arrangements and determine whether the total concept and feel of the two works indicated substantial similarity of expression. See *Selle v. Gibb*, 741 F.2d at 905 (court listened to cassette tapes of the two compositions in controversy plus several other song segments); *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 722 F.2d 988 (2d Cir. 1983)(a pianist played the songs for the court); *Pendleton v. Acuff-Rose Publications, Inc.*, 605 F.Supp. 477, 484 (M.D.Ten. 1984)(court listened to recordings and compared lyrics).

Failure to introduce evidence on this issue is devastating to plaintiff's case. This Court's findings of substantial similarity of ideas between the two arrangements does not save plaintiff's infringement claim. It seems clear from the evidence presented in the first-part of the test for substantial similarity, that defendant Martin took plaintiff's idea. However, the copyright laws do not

⁷ Judge Learned Hand indicated that two works are substantially similar if the "ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same." *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960).

prohibit this. *Atari, Inc. v. Amusement World, Inc.*, 547 F.Supp. 222, 230 (D.Md. 1981). "Copyright protection is available only for expression of ideas, not for ideas themselves." *Id.*; see *Mazer v. Stein*, 347 U.S. at 217-218. Thus, an artist may avoid infringement by intentionally making substantial alterations in the design of a copyrighted work so as to provide a substantially different expression of the idea embodied in the copyrighted work. *Concrete Machinery Co. v. Classic Lawn Ornaments*, 843 F.2d 498, 501 (2d Cir. 1982). Plaintiff's expert testimony evidence under the first prong of the analysis of substantial similarity is irrelevant and inadmissible under the second prong to show substantial similarity constituting infringement of expression. See *Armstein v. Porter*, 154 F.2d at 468.

The Court finds that plaintiff has failed to carry his burden on the issue of substantial similarity of expression of ideas under the required intrinsic standard.⁸ There is simply no evidence before the Court on this issue other than the printed sheet music for the arrangements.⁹ The Court is simply unable to determine whether the overall concept and feel of the two arrangements are substantially similar from a comparison of the printed sheet music. Based upon this Court's own observations and impressions, the Court

⁸The Court finds no reason to abandon these time-honored standards for copyright infringement in the case *sub judice*. The only noted exception from these standards occurred in *Whelan Associates v. Jarlow Dental Lab*, 797 F.2d 1222, 1232 (3d Cir. 1986), *cert. denied*, 107 S.Ct. 877 (1987). The court in *Whelan* was confronted with a copyright infringement action involving two utilitarian or functional computer programs written in two distinctly different computer languages. The court narrowly tailored its exception to copyright infringement standards to material that is extremely complex and utilitarian in allowing expert testimony on the issue of substantial similarity of expression. No compelling reason appears to depart from the principles that the test of substantial similarity depends upon the response of the ordinary lay listener in a musical copyright infringement case. See *Baxter v. MCA, Inc.*, 812 F.2d at 424 n.2 (in dicta rejecting the notion that music is such a technical field as to require additional protection beyond the lay audience test).

⁹Plaintiff, himself, did not even testify that he had listened to the two arrangements and considered them substantially similar. In his deposition, plaintiff stated that he based his allegation of copyright infringement upon a printed advertisement for defendant Martin's arrangement in a trade journal. (Deposition of Dr. William L. Dawson at 69-73).

concludes that while the ideas are similar, and one may speculate that defendant adapted plaintiff's work for use by his own clientele, nevertheless, plaintiff has failed to carry his burden to show that the expressions of those ideas are also similar. It is quite clear that plaintiff retains the ultimate burden of persuasion as to all elements of copyright infringement. *See Keeler Brass Co. v. Continental Brass Co.*, ____ F.2d ____, No. 88-3524, slip op. at 7 (4th Cir. December 7, 1988). Plaintiff has thus failed to establish an essential element of his infringement claim and defendants are entitled to judgment.

V.

1. The Court has jurisdiction over the parties and their dispute.
2. Plaintiff established a valid copyright and ownership.
3. Plaintiff made a showing of access and substantial similarity of general ideas sufficient to carry the burden of persuasion on the issue of copying.
4. Plaintiff failed to present evidence of substantial similarity of expression sufficient to carry his burden of persuasion on the issue of unlawful appropriation or infringement.
5. Upon all the evidence and applicable law, plaintiff failed to show by a preponderance of the evidence that defendants infringed his copyright on "Ezekiel Saw de Wheel." Therefore, plaintiff failed to establish an essential element of his case.
6. Plaintiff is not entitled to recover any damages under 17 U.S.C. § 504(b), or to a permanent injunction under 17 U.S.C. § 502(a).
7. A Judgment for defendants will be entered accordingly.

S/ Hiram H. Ward

United States District Judge

December 21, 1988.

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
DURHAM DIVISION

—◆—
FILED: Feb 9 1989
—◆—

WILLIAM L. DAWSON,

Plaintiff

v.

HINSHAW MUSIC INC., and
GILBERT M. MARTIN,

Defendants

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ORDER

This matter comes before the Court on plaintiff's Motion to Alter or Amend (January 4, 1989) the Judgment of this Court (December 21, 1988) pursuant to Rule 59(e) of the Federal Rules of Civil Procedure. Finding no fundamental error of fact or law and plaintiff's motion otherwise without merit, the Court will deny the motion.

Plaintiff's copyright claim alleging infringement of his musical arrangement "Ezekiel Saw de Wheel" was tried before the Court without a jury on August 22-24, 1988. The Court found that plaintiff failed to show by a preponderance of the evidence that defendants infringed his copyright, and entered a Judgment accordingly. Plaintiff files a timely motion under Rule 59(e), Fed.R.Civ.P., requesting that the Court alter or amend the Judgment in his favor, or in the alternative to grant a new trial under Rule 59(a), Fed.R.Civ.P.

A motion pursuant to Rule 59, Fed.R.Civ.P., may be utilized in timely attempts to vacate a judgment. *Foman v. Davis*, 371 U.S. 178, 181, 83 S.Ct. 227, 9 L.Ed.2d 222 (1962); *Smith v. Hudson*, 600 F.2d 60 (6th Cir.), *cert. denied*. 444 U.S. 986 (1979); 11 Wright & Miller, *Federal Practice and Procedure* § 2817 at 108-12 (1973). The grant or denial of a Rule 59 motion is within the informed discretion of the court. *United States Labor Party v. Oremus*, 619 F.2d 683, 692 (7th Cir. 1980). In order to prevail on a Rule 59 motion to alter or amend a judgment or for a new trial in a nonjury case, the movant must show that the judgment was based upon a manifest error of law or mistake of fact. *United States v. Carolina Eastern Chemical Co., Inc.*, 639 F.Supp. 1420 (D.S.C. 1986). A judgment should not be set aside except for substantial reasons. *Id.*; 11 Wright & Miller, *Federal Practice and Procedure* § 2804 at 37 (1973).

With the foregoing principles in mind, the Court turns to an examination of the issues raised in plaintiff's motion. First, plaintiff questions the propriety of applying the "intrinsic" evidence test to the element of unlawful appropriation in copyright infringement claims. Plaintiff argues that such a test should only be applied "with respect to performance rights to a musical composition and visual objects of art." As support for his argument, plaintiff urges that the holding of *Whelan Associates v. Jaslow Dental Lab*, 797 F.2d 1222, 1232 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987),¹ be expanded to include musical copyright claims alleging an infringement of sheet music.

The Court rejects plaintiff's argument. The Court noted in its Findings of Fact and Conclusions of Law that *Whelan* was the only noted exception which allowed extrinsic evidence regarding the element of unlawful appropriation, but that the *Whelan* court had narrowly tailored its exception to the facts of that case. This Court specifically refused to apply *Whelan* to the facts of this case. The Court found no compelling reason to depart from the principles that the test of substantial similarity regarding the element of unlawful appropriation depends upon the response of the ordinary

¹See Findings of Fact and Conclusions of Law (December 1988) at 20 n.8 for discussion of the *Whelan* holding.

lay observer in a musical copyright infringement case. Plaintiff still does not present any such reason. The Court specifically adopts the position of the court in *Baxter v. MCA, Inc.*, 812 F.2d 421, 424 n.2 (9th Cir.), *cert. denied*, ____ U.S. ____, 108 S.Ct. 346, 98 L.Ed.2d 372 (1987), that music is not such a technical field as to require additional protection beyond the lay audience test.

Plaintiff cites four additional computer software copyright infringement cases in support of his position to expand *Whelan*.² Plaintiff argues that these cases basically adopted the *Whelan* holding by substituting an "iterative" test for that of the ordinary lay observer on the element of unlawful appropriation.

Plaintiff's reliance on these cases is misplaced. In those cases the courts did not depart from the time-honored standard of the ordinary lay observer test in determining unlawful appropriation, but merely held that iterative reproduction, or exact duplication, of substantial portions of the copyrighted work may be sufficient to establish unlawful appropriation once access and substantial similarity have been established. See *E.F. Johnson Co. v. Uniden Corp. of America*, 623 F.Supp. 1485, 1493 (D.Minn. 1985). Under the "iterative" approach, the focus of the ordinary observer would shift from the total concept and feel of the copyrighted and allegedly infringing works to an analysis of the exactly duplicated portions of the two works.³ This is not the situation in the case, *sub judice*. The Court, sitting as the ordinary observer, specifically analyzed the sheet music in this case and concluded that plaintiff did not show by a preponderance of the evidence that defendant had unlawfully appropriated plaintiff's copyright. The Court did not find exact duplication.

²*Williams Electronics v. Artic International, Inc.*, 685 F.2d 870 (3d Cir. 1982); *E.F. Johnson Co. v. Uniden Corp. of America*, 623 F.Supp. 1485 (D.Minn. 1985); *Midway Mfg. Co. v. Strohon*, 564 F.Supp. 741 (N.D.Ill. 1983); *Hubco Data Products Corp. v. Management Assistance, Inc.*, 2 Copyright L.Rep. (CCH) § 25 at 529 (D.Idaho February 3, 1983).

³In *E.F. Johnson Co. v. Uniden Corp. of America*, *supra*, there was not only duplication of substantial portions of the computer program, but the infringing work had even directly copied mistakes from the copyrighted work.

In addition, plaintiff claims that the parties waived the requirement that unlawful appropriation be shown by intrinsic evidence. While the record is far from clear that any such agreement occurred, the issue is foreclosed in that parties may not waive required elements of law. Simply stated, parties may not pick and choose what law they wish to follow in a particular case. There is no indication that the parties entered into a stipulation wherein defendants concede the element of unlawful appropriation, and defendants specifically deny such an agreement.

Finally, plaintiff contends that even if the intrinsic evidence test is applied in this case, he should prevail. First, he argues that the sheet music itself was sufficient evidence to support a finding of unlawful appropriation. Plaintiff completely ignores this Court's Findings of Fact and Conclusions of Law issued contemporaneously with the Judgment in this action. The Court specifically noted that the only evidence under the intrinsic standard that plaintiff submitted on the issue of unlawful appropriation were the respective sheet music for both the copyrighted work and the allegedly infringing work, plus the sheet music of other arrangements of the same public domain spiritual. The Court found, based upon a comparison of the sheet music, that plaintiff failed to prove by a preponderance of the evidence that defendant unlawfully appropriated his copyrighted work. The Court also found that plaintiff failed to offer any other evidence on this issue.⁴

Next, plaintiff argues that a *prima facie* case of copyright infringement was established upon his showing of copying by evidence of access and substantial similarity under the extrinsic evidence

⁴Plaintiff also states that the sheet music was the only evidence available under the intrinsic evidence standard, asserting that there were no "recordings" of either arrangement available for use as evidence. Plaintiff apparently aims these comments at that portion of the Findings of Fact and Conclusions of Law in which the Court noted that in the ordinary musical copyright infringement case, plaintiff often meets his burden under the intrinsic evidence standard by having the musical arrangements at issue performed for the fact finder. Regardless of the difficulty in accumulating proper evidence, plaintiff retains the burden of persuasion on this issue. While expressing no opinion as to the veracity of plaintiff's statement, the court merely points out that defendants' list of exhibits in the final Pretrial Order indicates a sound recording of each arrangement performed by the Towson State University Chorale. See Order on Final Pretrial Conference at 9.

standard. Plaintiff claims that the burden should then shift to the defendant to prove that the copying was not unlawful. Plaintiff argues that since defendants failed to present such evidence he should prevail as a matter of law. The Court soundly rejects plaintiff's argument. Plaintiff's extrinsic evidence, submitted through expert testimony, indicated access and substantial similarities of general ideas regarding the two arrangements. However, such does not violate the copyright laws. Plaintiff must also show by a preponderance of the evidence that the expression of those ideas was substantially similar in order to prove that an unlawful appropriation has occurred. The Fourth Circuit Court of Appeals has made it clear that plaintiff retains the burden of persuasion in a copyright infringement action. *See Keeler Brass Co. v. Continental Brass Co.*, 678 F.Supp. 1190 (M.D.N.C. 1988), *aff'd*, 862 F.2d 1063 (4th Cir. 1988).

IT IS, THEREFORE, ORDERED that plaintiff's motion to alter or amend the Judgment, or in the alternative for a new trial be, and the same hereby is, DENIED.

S/ Hiram H. Ward

United States District Judge

February 9, 1989.

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

—◆—
FILED: June 27, 1990
—◆—

No. 89-2643

WILLIAM L. DAWSON,
Plaintiff — Appellant,

versus

HINSHAW MUSIC INC.; GILBERT M. MARTIN,
Defendants — Appellees.

—◆—
On Petition for Rehearing with Suggestion for Rehearing In Banc
—◆—

The appellees' petition for rehearing and suggestion for rehearing in banc were submitted to this Court. As no member of this Court or the panel requested a poll on the suggestion for rehearing in banc, and

As the panel considered the petition for rehearing and is of the opinion that it should be denied,

IT IS ORDERED that the petition for rehearing and suggestion for rehearing in banc are denied.

Entered at the direction of Judge Murnaghan with the concurrence of Chief Judge Ervin and Judge Wilkins.

For the Court,

John M. Greacen

CLERK

